

# City of Detroit


## CITY COUNCIL

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TO: The Honorable Detroit City Council

FROM: David Whitaker   
Research and Analysis Division staff

DATE: March 31, 2006

RE: **STATUS REPORT ON AMENDMENTS TO STATE BILLS AND  
OTHER DOCUMENTS PERTAINING TO THE  
DETROIT/WAYNE COUNTY PORT AUTHORITY**

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Your Honorable Body asked the Research and Analysis Division (RAD) to provide a status report on recommendations for amending House Bills 5028 and 5029 and other documents such as the "Master Concession Agreement by and between the Detroit/Wayne County Port Authority and the Ambassador Port Company." RAD and the City Planning Commission (CPC) will meet and confer with interested stakeholders in a working group on March 31, 2006, to discuss this matter.

RAD is currently reviewing the recently received signed copies from the Port Authority:

1. Master Concession Agreement
2. Agreement Relating to the Springing Interest and Master Concession Agreement by and between the City of Detroit and the Ambassador Port Company
3. Subconcession Agreement between Ambassador Port Company and Nicholson Terminal and Dock Company.

Below is a preliminary compilation of suggested amendments from the various entities:

1. House Bill 5028, related to establishing a Michigan port authority
2. House Bill 5029, expands the powers of our local port authority

3. Master Concession Agreement by and between the Detroit/Wayne County Port Authority and the Ambassador Port Company

### **HOUSE BILL NO. 5028 - MICHIGAN PORT AUTHORITY ACT**

Request clarification as to the scope of "authorized purposes" so that it is clearer as to what the jurisdictions or coverage encompasses, and how it relates to other economic development corporations. Exclude unfair preferences and/or tax advantages to private entities to the exclusion of able "bidders."

### **HOUSE BILL NO. 5029 - AMENDMENT TO THE HERTEL-LAW-T.STOPCZYNSKI PORT AUTHORITY ACT**

Request clarification as to the scope of "authorized purposes" so that it is clearer as to what the jurisdictions or coverage encompasses, and how it relates to other economic development corporations. Retain the exclusion of international border crossings and tunnels and bridge developments and other intermodal forms of transportation facilities from this act other than ports as defined in the existing Act. Prohibit persons and entities from having a monopoly or intermodal transportation facilities. Exclude unfair preferences and/or tax advantages to private entities to the exclusion of able "bidders." Retain current legal safeguards under the Opening Meetings Act and the Freedom of Information Act and other existing laws. Clarify what constitutes tax-exempt status. Restore the local governing body's oversight and approval for development plans and amendments and certain financial and property transactions that affect the City's interests, budget, and debts and liabilities.

### **MASTER CONCESSION AGREEMENT BY AND BETWEEN THE DETROIT/WAYNE COUNTY PORT AUTHORITY AND THE AMBASSADOR PORT COMPANY**

Amend the Master Concession Agreement so as to not go beyond the authority of the Detroit/Wayne County Port Authority, as allowed under Federal, State, and City, including but not limited to the existing Port Authority Act and the City Council's resolution dated May 6, 2005. Acknowledge that any expansion of the Port Authority's powers and developments and actions that affect the City's property interests requires City Council's approval. Open up development opportunities to others.

### **AGREEMENT RELATING TO THE SPRINGING INTEREST AND MASTER CONCESSION AGREEMENT BY AND BETWEEN THE CITY OF DETROIT AND THE AMBASSADOR PORT COMPANY**

The City of Detroit Deputy Mayor signed this agreement. It is of major concern to RAD as it would bind the City to the Master Concession Agreement terms, if found to be a valid contract. Very preliminarily, it does not appear to have the required City Council's approval, based on RAD's interpretation of what was authorized in the resolution of May 6, 2005. RAD is currently reviewing it in depth along with any options the City Council

may wish to take in response to this document. If it is void or illegal, there would be no need to amend the language.

**SUBCONCESSION AGREEMENT BETWEEN AMBASSADOR PORT COMPANY AND NICHOLSON TERMINAL AND DOCK COMPANY**

RAD is currently reviewing it along with any options the City Council may wish to take in response to this document.

**SUMMARY OF STATUS**

RAD along with CPC will report the suggestions for amending House Bills 5028 and 5059. A more final version of the proposed language will be submitted to the City Council, after meeting with the interested stakeholders for their input. Amended changes will then be sent to Lansing.

RAD will also report on the City Council's options regarding the Detroit/Wayne County Port Authority's, Ambassador's Port Authority's and the administration's actions concerning the above-cited "Agreements."

RAD will draft a letter to the City's lobbyist asking if their principal has any potential conflicts with the City, especially if they represent any other clients that may present a potential conflict with the City.

RAD will be submitting a separated memo concerning the meaning of "governing body."